



# U.S. Army NEWS RELEASE

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**February 2, 2004**

## **THE ARMY BUDGET - FISCAL YEAR 2005**

Today, the Army announced details of its budget for Fiscal Year 2005, which runs from October 1, 2004 through September 30, 2005. The FY05 budget requests \$98.5 billion in Total Obligation Authority from the U.S. Congress – \$2.7 billion more than appropriated for this fiscal year.

Over the past year, our Army has met the demands of the Global War on Terrorism, with over 330,000 troops deployed around the world in about 120 countries. The Army was instrumental in the defeat of Saddam Hussein and the subsequent liberation of over forty-six million people from oppression and despair. The Army remains a central and critical participant in Operation Iraqi Freedom and Operation Enduring Freedom in Afghanistan. Although these and other operations have stressed the force, our Soldiers have responded magnificently. The United States Army is a land force unmatched in human history. With this power comes a great responsibility. American Soldiers show by their daily actions that they understand this, and deserve the trust American people has given them.

The Army's budget request for Fiscal Year 2005 continues to support the Army Vision – People, Current Readiness, and Future Force – and our efforts to change quickly into a campaign quality Army with a joint and expeditionary mindset.

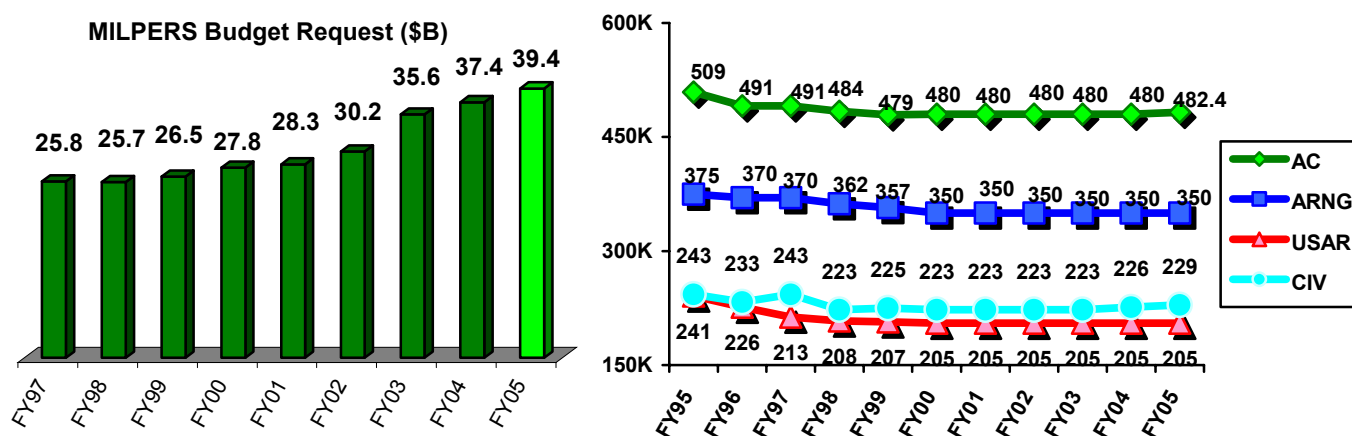
### **Total Obligation Authority (\$B)**

	<b>FY 04</b>	<b>FY 04</b>	<b>FY 05</b>
<b><u>Category</u></b>	<b><u>Pres Bud</u></b>	<b><u>APPN</u></b>	<b><u>Pres Bud</u></b>
<b>MILPERS</b>	<b>\$37.4</b>	<b>\$37.3</b>	<b>\$39.4</b>
<b>O&amp;M</b>	<b>31.1</b>	<b>31.4</b>	<b>32.6</b>
<b>Procurement</b>	<b>10.8</b>	<b>11.8</b>	<b>10.4</b>
<b>RDT&amp;E</b>	<b>9.1</b>	<b>10.4</b>	<b>10.4</b>
<b>MILCON</b>	<b>1.8</b>	<b>1.8</b>	<b>2.1</b>
<b>AFH</b>	<b>1.4</b>	<b>1.4</b>	<b>1.6</b>
<b>Chem Demil</b>	<b>1.7</b>	<b>1.5</b>	<b>1.4</b>
<b>Other</b>	<b><u>0.6</u></b>	<b><u>0.2</u></b>	<b><u>0.6</u></b>
	<b>\$93.9</b>	<b>\$95.8</b>	<b>\$98.5</b>

The FY05 Budget is another step toward the Future Force while sustaining an Army at war. The United States Army is a land force unmatched in human history. While we execute the Global War on Terrorism, our Army simultaneously continues its organizational and intellectual transformation to meet the challenges of the 21st Century. The budget funds a balanced plan supporting: People, Current Readiness and Future Force. The FY05 Budget themes are:

- Provide Ready Land Force Capabilities to Combatant Commanders for The Global War On Terrorism (Current Readiness)
- Provide Soldiers With the Best Available Capabilities to Conduct Operations (Current Readiness)
- Take care of Soldiers and their Families and Sustain the Quality of the Force (Current Readiness/ People)
- Enhance Installations as Power Projections and Support Platforms (Current Readiness/ People)
- Develop The Future Combat System / Complementary Systems and Sustain Commitment For Six Stryker Brigade Combat Teams (Future Force)

### People - Our Most Valuable Resource



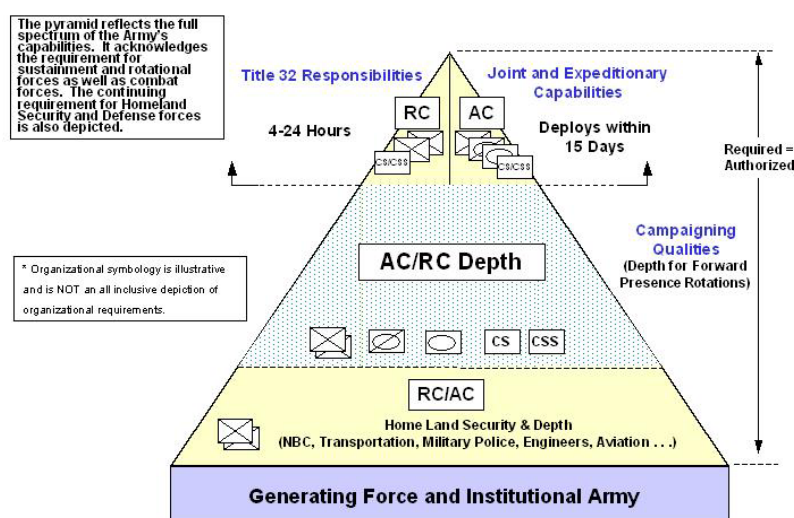
People are central to everything we do in the Army. Platforms and organizations do not defend the Nation; people do. Without highly skilled, competent, and dedicated people, it does not matter how lethal our weapons may be. This has never been more important than now, as we continue to mobilize and deploy soldiers in support of the Global War on Terrorism. The FY05 budget continues our emphasis of manning the force, taking care of our soldiers and their families, and sustaining the quality of the force.

The FY05 budget continues efforts to reduce the stress on the force with several initiatives. It mans the force – end strength of 482,400 Active Component, 350,000 Army National Guard, and 205,000 Army Reserve soldiers. The Army's request reflects an end strength increase of 2,400 Active Component as authorized in the FY 2004

National Defense Authorization Act (NDAA). This budget provides soldiers with an average pay increase of 3.5 percent. The Army's FY05 authorized civilian workforce of 229,000 end strength is budgeted to receive a 1.5 percent pay raise.

The Army is transitioning to an improved manning system designed to increase unit readiness by increasing stability and predictability for unit commanders, soldiers and families. The Army is also implementing incentives and manning initiatives to meet recruiting and retention goals in order to enhance war-fighting capabilities. This budget completes a multi year initiative to increase housing allowances to eliminate out-of-pocket expenses for those soldiers and families residing off post.

## Structuring the Force



The FY05 budget begins a rebalancing of the active and reserve components based on Rapid Response Operations, High Demand units and Rotational requirements.

We will improve force manning in the active component (AC) by increasing authorizations to equal requirements -- in FY 2005 the Army will add 1,043 authorized spaces to existing AC units, bringing them to their full requirement level in FY05 providing campaign quality units. The Army will begin to bring RC Force Structure Allowance (FSA) under end strength in order to improve manning and readiness in the remaining units. This will improve readiness and reduce OPTEMPO of stressed unit types.

In order to lessen the need for involuntary Reserve Component Mobilization and extensions, the Army will continue to convert lesser-used units to types of units which are in high demand. Total rebalancing actions will affect over 100,000 spaces across all components of the Army. In FY 2005, the Army will convert 2,184 active component spaces from less needed units (like Short Range Air Defense) to those units more in demand (like transportation and quartermaster). This will lessen the demand for RC-

type units. The Army will also convert 917 Reserves Component spaces from less used structure such as field artillery to high demand units such as military police and civil affairs. These are the first of over 4,000 spaces to be converted from FY05-08.

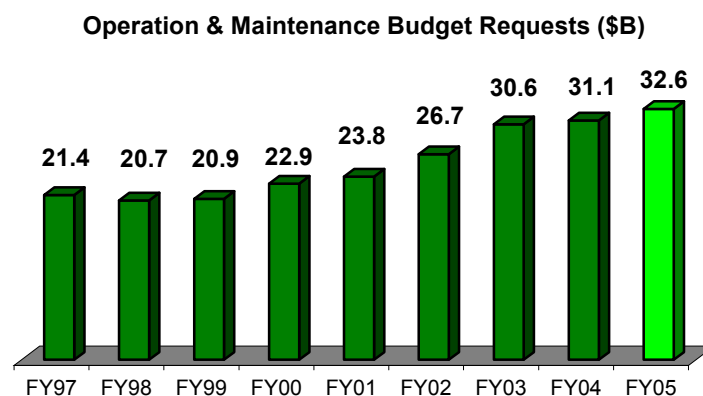
Military to civilian conversions are another way to improve efficiency of manpower within end strength constraints and make more military deployable by moving military out of positions that can be prudently performed by civilians. Given the stresses on the Army's ability to fully support rotational requirements in Operation Enduring Freedom and Operation Iraqi Freedom, it is essential to continue harvesting military from existing infrastructure/ organizations.

Finally the establishment of the Human Resource Command (HRC) is a historic, comprehensive change enabling the Army to enhance quality of life for Soldiers, focus on tactical training and support the Army's vision.

As a field operating agency under the Army's G-1, formerly the Deputy Chief of Staff for Personnel, HRC is the center of the Army's initiative to mold personnel functions into a corporate structure, enabling efficient and effective management of active-component and reserve component Soldiers worldwide.

HRC integrates and coordinates military personnel systems to develop and optimize the Army's human resources both in peace and war. HRC also performs all personnel-management functions for the distribution, development, retention and transition of active component Soldiers, mobilized reserve component Soldiers, and those on extended tours of active duty, temporary tours of active duty or retired recalled to active duty.

### **Current Readiness**



The United States Army is evolving dramatically in order to prevail over the current and potential threats and adversaries it confronts in the Global War on Terrorism. The Army is transforming itself into a campaign quality Army with a joint expeditionary mindset. We are committed to provide Ready Land Force Capabilities to Combatant Commanders for the Global War On Terrorism and provide Soldiers with the

best available capabilities to conduct operations. It has already achieved outstanding successes in the initial campaigns in Iraq, Afghanistan and elsewhere – those victories would not have been possible without both supplemental funding for the wartime surge and an adequate level of financial support for recurring training, sustainment, personnel support and other essential readiness programs. Accordingly, the FY05 budget request supports the Army's plans to maintain and strengthen its warfighting readiness with training, mobility and sustainment programs that are the best of this world. Specific readiness initiatives in this budget are the Army's steadfast commitment to fund ground OPTEMPO requirements, as well as its reengineered flight training strategy. The Army budget also provides funding to selectively maintain and improve our infrastructure striving to enhance installations as power projections and support platforms. In short, our resources are balanced with great care to ensure that our forces are trained, equipped, supported and ready to fight and win.

Unit Training: The Army's OPTEMPO budget is among its very highest priorities. The Army remains committed to maximizing the training and readiness of its units, the linchpin to victory on the battlefield.

- Ground OPTEMPO – The budget supports the Active Component ground OPTEMPO training strategy, encompassing actual miles driven for home station training (HST) and Combat Training Center (CTC) rotations as well as virtual miles associated with using simulators, such as the Close Combat Tactical Trainer (CCTT) and the Unit Conduct of Fire Trainer (UCOFT).
- Mileage Metrics – The mileage metrics for the Active Component in FY05 are: Live (HST and CTC) – 804, Virtual (CCTT and UCOFT) – 95, totaling 899 miles. This budget also provides funds for 166 composite miles for the Army National Guard's enhanced Brigades (281 miles) and Divisions (135 miles) and 199 composite miles for the Army Reserve.
- Flying Hours – The Army continues to fund its Flying Hour Program to achieve the highest historical execution level of 13.1 live flying hours per aircrew per month for the Active Component, and 6.6 live aircrew flying hours for the Reserve Components.
- Combat Training Center Rotations – This budget supports a rigorous annual program of tough, realistic combat training: ten brigade rotations (nine Active Component and one Army National Guard) through the National Training Center, ten Brigade rotations (nine Active Component and one Army National Guard) through the Joint Readiness Training Center, and five brigade rotations through the Combat Maneuver Training Center. The Battle Command Training Program will conduct one Corps warfighter exercise and train eleven Division command and staff groups.
- Joint National Training Capability (JNTC) – To enhance readiness of U.S. Armed Forces, DoD is establishing a JNTC, with initial operating capability no later than

October 2004 and full operating capability no later than October 2009. This budget fully funds Army's FY05 plans in support of this OSD initiative. The JNTC will extend DOD's world-class training advantage and ensure the needs of regional Combatant Commanders are met. JNTC builds on the success of Army Title X training by adding appropriate joint context to the training at Army Combat Training Centers in order to address joint and Service-interoperability training deficiencies. It combines live, virtual and constructive training in order to increase joint participation in current exercises without significantly increasing deployment demands on Army units. This joint program is producing standards for the joint tasks for the first time, allowing the objective evaluation of joint performance.

**Recruiting and Institutional Training:** This budget focuses Army resources on providing professional, up-to-date training for Soldiers and Civilians and growing them into competent, self-aware, and courageous leaders.

- **Recruit Training** - To set the conditions for success in maintaining its readiness, the Army must recruit quality soldiers -- now and in the future. The Army will continue to emphasize recruiting and advertising, so that today's youth are made aware of and partake in the many career opportunities within the Army. To successfully compete for America's best young people, we are increasing funding for Army Recruiting, Junior and Senior Reserve Officers Training (ROTC) and the U. S. Military Academy.
- **Advanced Training** - To train the force and develop future leaders, we increased funds for language training, professional development, and off-duty voluntary education. We are reducing the student backlog for basic language education by resourcing four week "crash courses" to provide service members basic communication skills prior to deployment, and expanding the Individual Ready Reserve Linguist Program.
- **Flight Training** - Adequate funding for institutional training is key to educating and training soldiers and leaders for the 21<sup>st</sup> century. The Army is committed to enhancing its rotary-wing flight training program and will transform it through the Army's Flight School XXI (FSXXI) initiative. FSXXI is fully funded and fully implemented in FY05. FSXXI increases the relevance and quality of a student's flight training by conducting combat skills training in the pilot's "Go-to-War" aircraft. Previous flight training used older often-outdated aircraft, which were less costly to operate but produced a lesser-trained pilot. FSXXI uses the modernized fleet of aircraft in the Army inventory (UH-60L, AH-64D, CH-47D, OH-58D and the RAH-66) with state of the art systems including: fly-by-wire, digitized cockpits, global positioning systems, aircraft survivability equipment, precision munitions, and secure communications. Soldiers will train using these new systems, resulting in a decreased amount of time in the schoolhouse overall while increasing flight time in their Go-to-War aircraft. Students will arrive at their

combat units quicker, thereby improving overall unit readiness. This training program produces more experienced aviators in less time.

**Strategic Mobility Programs:** The Army's power projection efforts are centered on strategic mobility and global prepositioning programs. An effective worldwide deployment capability entails availability of sufficient warfighting equipment, both afloat and ashore. It also focuses on improving deployment outloading capabilities and rapid force projection from CONUS-based Power Projection Platforms, and providing for enhanced deployment readiness through annual strategic deployment exercises.

- Afloat Prepo Stocks (APS) – The FY05 budget provides for the lease / operations of 12 ships, including eight Large, Medium Speed Roll-On/Roll-Off ships. This fleet represents the Army's initial effort to reset and reorganize the APS sets based on modularity and an approved Army Regional Flotilla concept.
- Prepositioned Stocks - Army Prepositioned Stocks in Southwest Asia (APS-5) along with the Army Prepositioned Stocks Afloat (APS-3) unit sets were issued to fight Operation Iraqi Freedom. Land based APS undergoing limited reorganization /reconfiguration to incorporate OIF lessons learned and support for modularized units.
- CONUS infrastructure improvements continue at key power projection platforms and Stryker Brigade Combat Team locations. The results will be improved strategic responsiveness of deploying forces. Funding also provides for annual strategic deployment readiness exercises.

**Materiel Sustainment Programs:** Supplying and maintaining equipment for soldiers is a key component of readiness.

- Depot Programs – The FY05 Depot Maintenance program is funded at 72 percent of requirements. The Recapitalization Rebuild Program continues to be funded fully, supporting 17 systems.
- Connect Army Logisticians - Lessons learned from Operation Enduring Freedom and Operation Iraqi Freedom led to initiatives to modernize support to the war-fighter. Connect Army Logisticians is an initiative to redesign current systems to be an integral part of the joint battlefield network with satellite-based communications. It will provide 24/7 connectivity on demand, enabling them to pass and to receive key data from the battlefield to the industrial base.
- Ammunition Management - Army is the DoD single manager for the worldwide wholesale stockpile of conventional ammunition. This program ensures that conventional ammunition is serviceable to support training and war reserve requirements and transports the ammunition where it is needed to support training and operation plans. This budget supports conventional ammunition management at the congressionally established funding floor of \$355 million.

Army Installations: Army installations are essential to maintaining the premier Army in the world. Installations serve as our flagships, supporting Soldiers where they live, work, train, mobilize, and deploy to fight. Our installations enhance power projection. In wartime, installations serve as integral components of an extended battlespace from homestation to foxhole by providing reach back capability

The Well-Being of our Soldiers, civilians, and their families is inextricably linked to the Army's readiness. The Army's well-being programs and family support systems must be synchronized with rotation schedules and optimized to support deployed units.

We must prepare our Soldiers, civilians, and their families for the sustained challenge of serving a Nation at war. Besides making necessary adjustments to our force and capabilities mix to provide stability for Soldiers and units, the Army adapts installation programs and facilities to better support the Joint Team.

To ensure well-being, the Army has programs such as Barracks Modernization, Army Family Housing, Residential Communities Initiative, and focused facilities sustainment management that all aim to take care of soldiers and their families and to make the best use of available resources. Base operations support (BOS) programs are funded to operate the bases, installations, camps, posts, and stations of the Department of the Army worldwide. The program includes municipal services, Family Programs, Environmental Programs, Force Protection, Audio Visual and Base Communication services. Army Community Service and Reserve Component Family Programs include a network of integrated support services that directly impacts Soldier readiness, retention, and spouse adaptability to military life during peacetime and through all phases of mobilization, deployment, and demobilization.

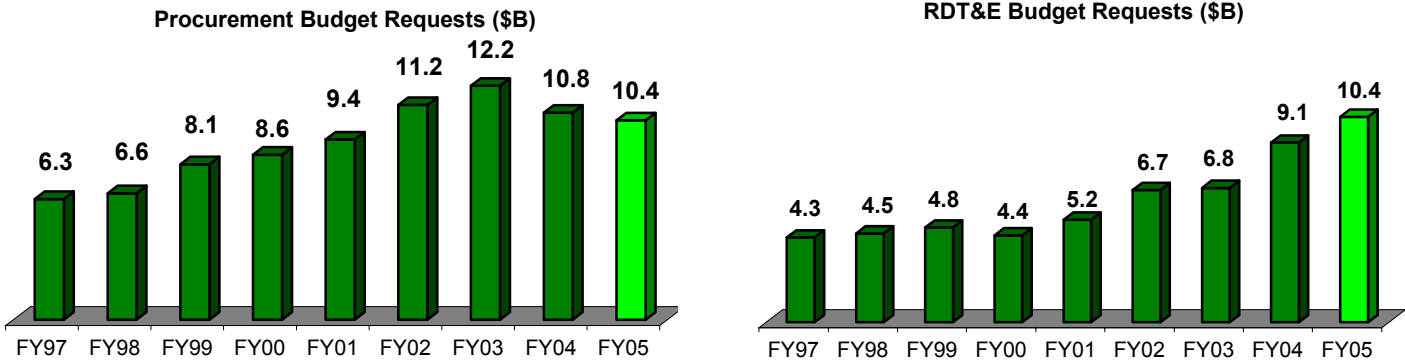
The Army's challenge is to sustain adequate funding levels that provide quality, equitable, and consistent services to all soldiers and their families. Although funding for installations increased over FY04 levels, risks are still accepted with this budget.

This budget funds:

- Facilities sustainment at 95 percent of requirements; Base Operation Support at 70 percent of requirements
- The elimination of inadequate family housing and permanent party barracks by 2008
- Raising facilities ratings to average C2 by 2010
- Effort to address unexploded ordnance and effects of munitions use on the environment and life, health and safety.
- Increased mobilization deployment support for Active and Reserve Component Soldiers and families



## Future Force

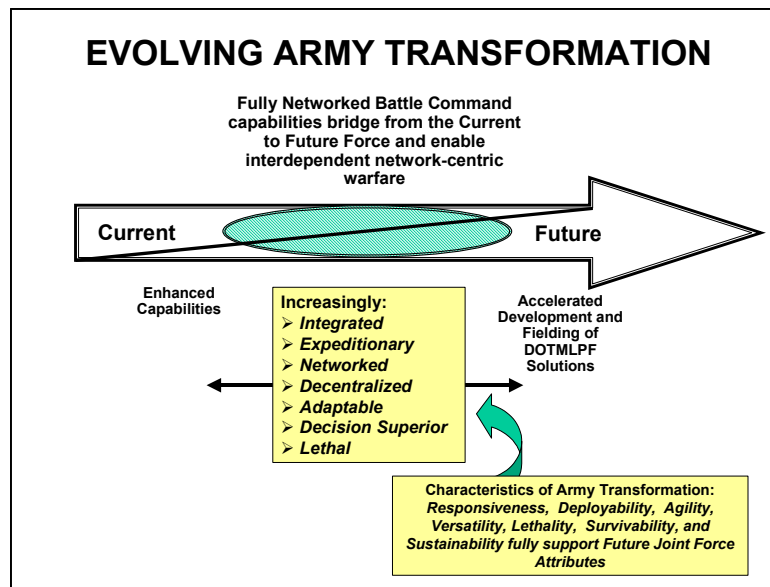


Emerging 21st Century security challenges provide compelling evidence that the strategic environment has changed in dangerous and unpredictable ways. In the past year, the Army deployed troops around the world, meeting the demands of a Global War on Terrorism, defeating Saddam Hussein's military forces as a participant in Iraqi Freedom while maintaining a vital presence in Afghanistan in support of Operation Enduring Freedom (OEF). At the same time, we are in the midst of one of the most profound periods of transformation in our history. The Army views its transformation as a continuous process encompassing the entire force, combining advanced technologies, organizations, highly adaptive leaders and soldiers, improved processes with new concepts to create sources of dominant military power that are responsive, deployable, agile, versatile, lethal, survivable, and sustainable.

As we move into our fourth year of transformation, we will provide a relevant and ready Current Force that is organized, trained and equipped for joint, interagency, and multi-national full spectrum operations while supporting Future force development. The Current Force is the operational Army of today --organized, trained, and equipped to conduct operations in support of a Joint Force Commanders' (JFC) needs across the full spectrum of military operations. The Future Force is the operational force the Army continuously seeks to become. Informed by national security requirements and DOD guidance, the Future Force is the strategically responsive, joint interdependent, precision maneuver force, dominant across the full range of military operations envisioned in the future global security environment.

The Army's Transformation strategy encompasses three areas: a transformed culture through innovative and adaptive leaders and institutions; transformed processes---risk adjudication using the Current to Future Force construct---to enhance our Current Force now while developing our Future Force; and transformed capabilities for interdependent joint operations through force transformation.

Army Transformation is not simply a materiel solution, e.g., Future Combat Systems (FCS) – it is a holistic transformation of both the operational and institutional Army. Transformation integrates advancements in doctrine, training, leader development, organizations, materiel, and soldiers systems while also incorporating changes in deployment, installations, sustainment and business processes.



Current operations such as the Global War on Terrorism and other National priorities and interests create resource challenges and constraints that affect the pace of transformation. The Army must continue to develop Future Forces while simultaneously spiraling-in Future Force capabilities to enhance the effectiveness of the Current Force. The process of identifying and accelerating selected Future Force technologies for fielding to the Current Force will be fundamental to our success in enhancing the relevance and readiness of the Army.

The Army has made a conscious decision to balance a reasonable degree of risk between the readiness of the Current Force and investments in the capabilities for the Future Force. The Army continues to make difficult choices to cancel and restructure programs to invest in transformational capabilities. In the FY 05 budget we are terminating 14 systems and restructuring 15 systems to realign \$406.5 million. Some of these investments are already providing results in the form of new capabilities today, such as in the new Stryker Brigade Combat Team formations being fielded and operating in Iraq.

The Future Combat Systems (FCS) remains one of the highest Army priorities. The FCS will be a multi-functional, multi-mission, reconfigurable system of systems designed to maximize joint interoperability, strategic transportability, and commonality of mission roles. The Army completed a Milestone B Decision May 14, 2003, which authorized entrance into the System Development and Demonstration (SDD) phase of

the acquisition process. The contract was awarded to Boeing as the Lead Systems Integrator on May 30, 2003 and definitized on December 10, 2003.

Fully networked battle command capabilities are the bridge from the Current to Future Force and enable the Joint Force Commander (JFC) to conduct fully interdependent, network-centric warfare. The Army views battle command, the art and science of applying military leadership and decision-making, as the essential capability that enables the conduct of future joint operations. Battle Command based on the use of Mission Command as its guiding concept will encourage decentralized operations, subordinates' initiative, and greater agility in adapting to changes during execution. Enabled by Command, Control, Communication, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR), battle command enhances the commander's ability to gain information and decision-making advantages over any adversary.

Other major FY 05 Research, Development and Acquisition (RDA) efforts include:

- A subsystem of the Future Combat System is Non-Line of Sight Cannon (NLOS-C). It provides a combined high rate, sustained volume of long range precision fire in all weather conditions.
- Comanche, the Army's next generation helicopter is designed to perform armed reconnaissance and attack missions. We are funding Force Development Test and Experimentation and Limited User Test for Comanche
- Stryker is funded in FY 05 to buy 310 vehicles for the 5th Stryker Brigade Combat Team, (2nd Brigade, 25 ID, Hawaii) to begin fielding in FY 06
- Aviation Modernization. This budget provides for 19 Longbow Apache conversions (\$549.9M), 8 new Black Hawk aircraft (\$124.8 M), upgrades for the 1st 5 Black Hawks to UH-60M model (\$78.3 M), 16 CH-47 conversions to "F" & "G" Models (\$326 M), & 160 new higher powered CH-47 engines (\$165 M).
- Procurement of PAC-3 Missiles will continue in FY 05. Forty-five percent (\$553.4M) of the Missile Procurement, Army appropriation is for PAC-3 or Patriot Modifications.
- Family of Medium Tactical Vehicles (FMTV) is funded at \$508.5 million to support the procurement of 2425 vehicles. This is the second year of the multiyear contract.
- High Mobility Multipurpose Wheeled Vehicle (HMMWV) is funded at \$303.7M of which \$156.3 million will procure 818 up armored vehicles. This budget represents increased funding for up armored HMMWVs due to lessons learned from recent operations.
- Abrams (M1A2 SEP) is funded at \$292.1M to continue fielding to complete 3ACR.
- Networked Fires System Technology, which develops objective Command, Control, Communication, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) capabilities that are strategically deployable and tactically mobile. It will be a fully networked targeting system, an integral part of

the Future Force, which can direct precision and massed fires with discriminating effects in a joint environment

- Precision Munitions: Excalibur 155mm Precision Guided Extended Range Artillery Projectile and Precision Guided Mortar Munitions (PGMM) families are designed to provide the maneuver force with improved fire support. We are funding development and procurement of Excalibur 155mm Unitary Warhead (Block I) Projectile and development of PGMM.
- Warfighter Information Network – Tactical (WIN-T) is a tactical digital communications system that will provide advanced commercial based networking capability to the Future Force. The FY 05 budget funds WIN-T to the Army Cost Position for architectural development, modeling, simulation, and testing.
- Joint Tactical Radio System (JTRS) is a family of common software-defined programmable radios that will ultimately become the Army's primary tactical radio for mobile communications. This lightweight, modular, multi-band radio provides line-of-sight and beyond line-of-sight secure voice, data, imagery, and video communications. It replaces multiple radio systems currently in the Army's inventory and is a key component of the Tactical Internet. The FY 05 budget funds Cluster 1 (ground vehicular/airborne rotary wing aviation system) and Cluster 5 (handheld, man pack, and small fit form factors).

### **The Army's Top Ten FY05 Research, Development and Acquisition Programs**

<b>Top Ten Programs</b>	<b>Amount (\$M)</b>
Future Combat System	\$ 3,198.1
Comanche	\$ 1,251.6
Stryker	\$ 957.0
Longbow Apache Mods	\$ 561.9
CH-47 Mods	\$ 555.6
Patriot PAC-3	\$ 553.4
Family of Medium Tactical Vehicles	\$ 508.5
HMMWV	\$ 303.7
Abrams M1A2 SEP	\$ 292.1
Information Systems	\$ 268.9

Note: Amounts include both Procurement and RDT&E.

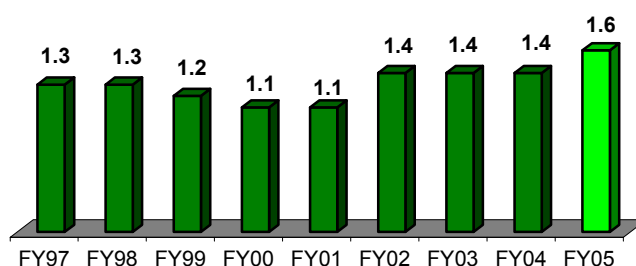
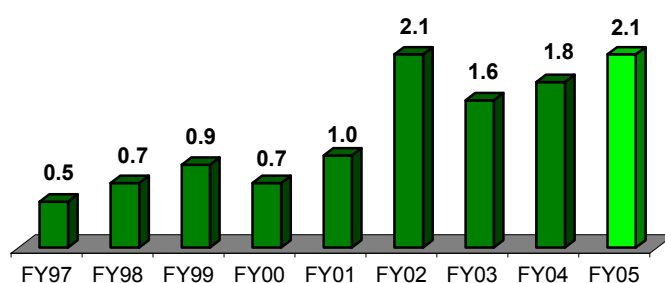
Science and Technology (S&T) provides the Army with sustained overmatch in both human and material systems arenas, thereby preventing technological surprise. The S&T Program retains a vigorous accumulation of technology investments that are not only responsive to today's warfighter, but can shift the nature of military competition to our advantage in the future. Some of the S&T investment accelerates the transition of proven technologies to enhance the capabilities of the Current Force.

The Army S&T Program also capitalizes on technology developments from other Services, Defense Agencies, and commercial industry as well as international communities. The program focuses on technology that is relevant to both the Army and the joint community. By synchronizing with operational concepts development with transformational business practices for acquisition programs we can get technology into the hands of soldiers in the field at a much more accelerated rate. The Army has balanced the S&T program to satisfy the high payoff needs of the Future Force while seeking and developing critical capabilities in the Current Force.

### **Military Construction And Family Housing**

**MILCON Budget Requests (\$B)**

**Family Housing Budget Requests (\$B)**



The FY05 Military Construction (MILCON) budget provides new and renovated military facilities for the Active and Reserve Components. The Army program for Barracks replacement and upgrade is fully funded by FY08.

Military Construction totals \$2.1B:

- \$733M for barracks, physical fitness, child care, and chapels to improve the quality of life of soldiers and families
- \$305M for Army Transformation construction at installations in Alaska, Hawaii, and Louisiana for Stryker Brigade Combat Teams
- \$569M for Army Readiness consisting of training, deployment, and infrastructure revitalization construction for the Active Army
- \$171M Minor Construction Planning and Design
- \$266M for National Guard construction
- \$87M for Army Reserve construction

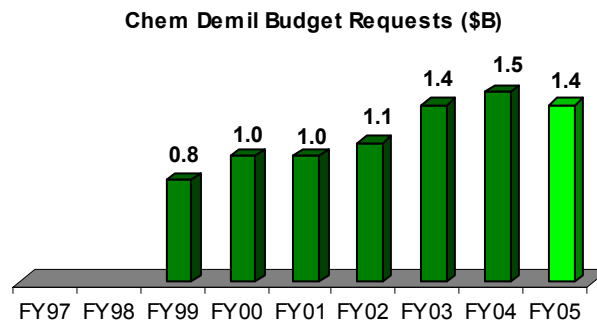
The FY05 Army Family Housing budget request provides increased resources to improve the well being of Soldiers' families. This higher level of investment provides over 14,000 new and renovated homes. Construction is designated for 2,300 units. We improve 11,906 units at six installations through public-private partnerships. The FY05 budget will bring the total privatization program to 71,000 units at 34 installations. The privatized housing will be upgraded with private capital over a 5-10 year period. Soldier housing allowances will provide the income streams to operate and improve privatized housing over a 50 year period. With these initiatives, the Army continues its program to

eliminate all inadequate family housing by FY08. The Army Family Housing operations budget provides improved levels of support for the 50,000 housing units that the Army retains.

Army Family Housing Total \$1.6B:

- \$500M for Construction and renovation of Army-owned family housing units
- \$200M for Army investment in Public-Private Partnerships
- \$900M to Operate and Maintain Army-owned family housing units.

### **Chemical Demilitarization Program**



The Chemical Demilitarization Program continues to make progress in destroying U.S. chemical warfare materiel. All Chemical Weapons Convention (CWC) destruction milestones have been met to date. The United States request to extend the 45 percent destruction milestone for Category 1 chemical weapons from April 2004 to December 2007 was approved by the CWC Conference of State Parties. Destruction of former production facilities (FPF) has already achieved the 80 percent destruction milestone of April 2005. The FY05 budget request for the Chemical Demilitarization Program consists of \$1.37 billion in the Chemical Agents and Munitions Destruction, Army (CAMD, A) account. The Chemical Demilitarization construction request is \$82 million and is now included in the Chemical Demilitarization Construction, Defense account.

Significant efforts funded in the budget include formal closure at the Johnston Atoll facility, disposal operations at six locations (Tooele, Utah; Anniston, Alabama; Umatilla, Oregon; Pine Bluff, Arkansas; Aberdeen, Maryland; and Newport, Indiana) as well as design, permitting and construction activities for alternative technology pilot plants at Pueblo, Colorado and Lexington, Kentucky.

The budget also supports the continued activities of the Non-Stockpile Chemical Materiel Project and the Chemical Stockpile Emergency Preparedness Program.

## **Compliance With GPRA And President's Management Agenda**

The Government Performance and Results Act (GPRA) and the President's Management Agenda require association of performance measures with budget programs. The Army has exceeded the requirements of Defense Management Initiative Decision 910 (required the Army to report 60 percent of its Total Obligation Authority under performance metrics in the 2005 budget). Additionally, the Army has appointed a Performance Management Coordinator to serve as the Army's single focal point to coordinate and disseminate all Army performance metrics and their association with budget justification materials and external reports.

The Army continues its efforts to improve business practices and processes in order to make the best use of valuable resources and provide the finest support possible for Soldiers and the most effective capabilities for sustained land power to the Joint Force. Coupled with the ongoing imperative to balance investments between current and future readiness, these measures represent the soundest approach to reduce risks today while still allowing for the greatest investment in improved capabilities for tomorrow.

Many of our initiatives fall into the area of improved business processes and practices that are designed to leverage resource investment and improve the capabilities obtained by the Army over time. The Army actively seeks to find ways of employing existing capabilities more effectively and also of integrating new capabilities more rapidly into the force. The effort to improve business processes consists of a fully integrated knowledge environment that enables generation and sustainment of warfighting capability through integration of human resource programs based upon collaborative planning, knowledge management, and best business practices. In general, the Army's strategy for business practices focuses on those unique functions necessary to generate prompt, decisive and sustained land power capabilities.

The Army has also started to install comprehensive, integrated, and interoperable HR programs, policies, and procedures across the Army and within the Joint, interagency, and multinational environments. In FY04, the Army activated the Human Resources Command (HRC), by merging the AC and RC personnel commands. The Civilian Human Resources Agency (CHRA) will also merge into HRC at a future date.

The Army continues to make improvements in its ability to manage its resources and ensure readiness by fully deploying the Army's Strategic Readiness System (SRS) process into our management process. This improvement enables an effective results-oriented process whereby resources can be allocated not only on the basis of perceived needs, but also on what is actually being accomplished.

## **Summary**

The FY05 budget demonstrates the Army's commitment to its People, Current Readiness, and the Future Force. The Army also remains committed to its heritage of preserving freedom. American Soldiers display unrelenting tenacity, steadfast purpose, confidence, and heroism on a daily basis, just as they have for over 228 years. However, for America to survive and flourish through the twenty-first century, our Army must decisively defeat the enemy that challenges us today.

Our nation is at war. Our Army is relevant and ready to meet today's challenges, but there is much more to do. We are changing now to reflect wartime realities, to plan for and incorporate next generation capabilities into current systems, and to keep the mission first, Soldiers always. We are changing to become more joint and expeditionary. We cannot move forward alone, but will do so as part of the Joint Team. We need the support of the American people and their representatives in the United States Congress. The Army has never failed the American people, and we never will

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For more information, please contact the Army Public Affairs Media Relations Division at 703-697-4314/7591.